



Sierra Club Bulletin

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Published Bimonthly by the Sierra Club, San Francisco, California. Address all communications to the Secretary of the Sierra Club, 402 Mills Building, 220 Montgomery Street, San Francisco, California. The annual dues of the Sierra Club are \$4.00 (first year, \$5.00), of which \$1.00 is for subscription to the SIERRA CLUB BULLETIN. Entered as second-class matter at the Post Office at San Francisco, California, under the Act of March 3, 1879.

SIERRA CLUB ANNUAL DINNER, DECEMBER 12, 1931

The annual reunion dinner and dance will be held at the Fairmont Hotel, California and Mason Streets, San Francisco, in the main dining room reserved for this occasion, on Saturday evening, December 12th, at 7 o'clock. The price of the dinner will be \$2.25 per person. Friends of members are welcome.

CLUB OFFICE TO BE MOVED TO MILLS TOWER

With the building of the new Mills Tower adjoining the present Mills Building an opportunity has been afforded for the Sierra Club to obtain more satisfactory quarters without involving a change in general location. A lease has been signed by which the Club takes over two rooms on the tenth floor of the Mills Tower beginning November 1st at very little increase in rental. One of the rooms will be used as an office, the other as a library. Careful attention will be given to the needs of the library in selecting proper shelving and allowing for space for pictures. It is hoped that in this way the services that the Club can render to its members and to the public will be substantially enhanced. The strictly fireproof character of the new Mills Tower will insure the safety of valuable books and papers, many of which are irreplaceable. Beginning November 1st, therefore, the address of the Sierra Club will be 1050 Mills Tower, San Francisco. Entrance may be had either through the Mills Building entrance, 220 Montgomery Street, or through the Mills Tower entrance, 220 Bush Street.

KINGS-KERN CROSSING COMPLETED AND READY FOR 1932 OUTING

We have just received word from Col. John R. White, Superintendent of Sequoia National Park, that the portion of the John Muir Trail which has been rerouted just west of Junction Peak has been completed and the trail connected on both sides. This new pass, named Forester Pass, eliminates the long, difficult grades of Shepherd and Junction passes and is a much more direct route between the Kings and the Kern. Many years ago in one of the early issues of the *Sierra Club Bulletin*, Professor C. B. Bradley noted the existence of an old sheep trail crossing this particular pass. It was later scouted by Mr. Colby, who examined it from both sides. Although on the Kern side it presented a difficult problem, it, nevertheless, seemed to be the most feasible crossing of the divide in that vicinity. Great credit is due Colonel White for urging upon the National Park Service the importance of this route and for carrying out the construction of the trail. Engineer Diehl, also, is to be highly complimented for putting through this difficult work in so short a time. The Club on its annual outing in 1932 plans to use this trail in crossing from the Kings into the Kern region.

COLONEL GEORGE W. STEWART

Colonel George W. Stewart, a life member of the Sierra Club, passed away on September 6th, at Dante Hospital, San Francisco, following an operation a few days earlier. He was born

near Placerville, California, in 1857 and spent the greater part of his life in Visalia, where for many years he was engaged in editing the *Visalia Delta* and in work connected with the U. S. Land Office. He was devoted to the region now embraced in Sequoia National Park and indeed it was very largely due to his own efforts that the park was established and the big trees of the Giant Forest region were saved from destruction. A few years ago he was honored at a gathering at Visalia and in recognition of his devoted work a beautiful peak on the Great Western Divide was named Mount George Stewart. Colonel Stewart for many years took an active interest in the Sierra Club and rendered valuable assistance in the furtherance of its objects. His wife, Martha Rowland Stewart, passed away last June.

GENEROUS BEQUEST TO SIERRA CLUB

Every now and then the members of the Sierra Club are brought to a realization of the deep regard that some of its members have for its underlying principles and purposes. Recently an instance of this sort has occurred which emphasizes this loyalty. The Club has received notice that under the will of the late Henry H. Palmer, a member of the Club for nearly a quarter of a century, the Club has been bequeathed a share in his estate, consisting of stocks and bonds having a value of over three thousand dollars. Mr. Palmer attended several of the early annual outings and more recently, at times when he made his home in San Francisco, went very frequently on the local walks. He died in South Africa on one of his around-the-world trips which he had taken a number of times. This fund, when received, will be permanently invested and the income used to further the work of the Club along the lines which evidently impressed themselves upon Mr. Palmer as being worthwhile and of sufficient value to justify his generous gift.

TREASURY DEPARTMENT RULING ON STATUS OF SIERRA CLUB

In response to a communication from the Treasury Department a letter was sent to the Commissioner of Internal Revenue in June stating the purposes of the Sierra Club, explaining its organization, and describing its activities. In reply the Treasury Department has issued the following decision which is to the effect that:

- (1) The income of the Sierra Club is exempt from federal income tax.
- (2) Contributions to the Sierra Club from individual donors are deductible by such individuals in arriving at their taxable income.

Following this ruling, it may be presumed that bequests to the Sierra Club are deductible from the gross estate for purposes of the federal estate tax.

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HVH

Sierra Club,
402 Mills Building,
San Francisco, California.

Sirs:

Reference is made to the evidence submitted by you in support of your claim to exemption from Federal income taxation.

The evidence discloses that the organization was incorporated under the laws of the State of California June 4, 1892, without capital stock, "To explore, enjoy and render accessible the mountain regions of the Pacific Coast; to publish authentic information concerning them; to enlist the support and cooperation of the people and the government in preserving the forests and other natural features of the Sierra Nevada Mountains * * *."¹ The government of the club is vested in a board of fifteen directors who are members of the club.

Treasury Department,
Washington,
July 20, 1931.

(1) The Editor deplores the use of the phrase "Sierra Nevada Mountains," but the fact is it so appears in the Articles of Incorporation of the Club. "Sierra" means "mountain range," so the addition of the word "mountains" is redundant.—F.P.F.

The evidence further discloses that the activities of the club include furthering the original movements to set aside as Federal reserves the wonderlands now known as Yosemite and Sequoia National Parks; exploring, mapping and publishing reports on high mountain regions prior to the mapping by the United States Geological Survey; planning trails through the high mountains; and cooperating with the State of California, the several counties, and the United States Forest Service in building new trails, for which the club has given liberally of its own funds. The John Muir Trail, following the main crest of the Sierra from Yosemite to Mt. Whitney, is a conception of the club. The California State Legislature appropriated \$10,000.00 in 1915 for its construction and has since made other appropriations for this purpose. The club has cooperated with the California Fish and Game Commission in stocking many lakes and streams in the Sierra. It is actively interested in the further enlargement of Sequoia National Park to include the headwaters of the south and middle forks of Kings River. It has also exerted its efforts to protect other national parks outside of California from commercial encroachment.

The club maintains six mountain lodges or shelters for the benefit of campers and mountaineers, from which no revenues are derived, those using them providing their own subsistence. Le Conte Lodge, in Yosemite Valley, is devoted to free educational work in natural history for the benefit of visitors to the valley. The Parsons Lodge, the Mt. Shasta Lodge and the Muir Pass Shelter are at the service of the public. The two lodges in Southern California, while primarily for members and their guests, are frequently used for public purposes.

Since 1893 the club has published the *Sierra Club Bulletin*, the contents of which are largely educational in character. Subscriptions to this magazine are included in the dues of members. A small number of copies are sold at a rate less than the cost of printing, and there is a large free list and exchange list of universities, libraries, organizations and institutions throughout the world. This bulletin is issued bimonthly, the February number in magazine form and the other numbers in four to eight pages. The annual magazine number (February) contains a few pages of advertising matter, the proceeds from which are used to defray part of the cost of publication. The February, 1931, issue contained advertising for the Southern Pacific Company in the amount of \$100.00, Canadian National Railways in the amount of \$75.00, Yosemite Park and Curry Company in the amount of \$75.00, and Ansel Easton Adams (photographer) in exchange for photographs. It is stated that these are fairly representative of advertisements for several years past. This number of the bulletin also contains the annual report of the treasurer.

The club's activities are directed from its office in San Francisco. It occasionally sponsors lectures, distinctively of an educational character, on subjects relating to its purposes. It maintains at its office a library of books and periodicals relating to out-of-door life, forestry, geology, natural history, mountaineering, geography, etc., which is used as a reference library by research workers and writers and which is open to the public free of charge.

There are two chapters of the club, one in southern California and the other in the San Francisco Bay region. These chapters have their separate organizations and engage in local activities, which are about evenly divided between educational, recreational and social, the social activities being carried on for the purpose of informing and interesting members and prospective members in the major purposes of the club, and consist of occasional dinners, entertainments and out-of-door gatherings. Any expenses incurred in the recreational and social activities are met entirely by the individuals participating. A small portion of the dues paid to the general club treasury is specified as for local chapter purposes, such amounts being used for notices, lectures and other educational work. Only a portion of the members of the club belong to the chapters.

The club sponsors an annual outing of a month's duration, participated in by about two hundred members and guests. This outing is conducted as a separate and distinct enterprise in which the club has no responsibility and no part of its finances is ever used in connection therewith, even the announcements being paid for out of the outing fund. Deficits, when incurred, are paid by assessments against participants. These outings consist of expeditions into the more inaccessible regions of the Sierra Nevada Mountains and, occasionally, other mountain regions, and are considered an indispensable feature of the educational work of the club.

The financial statement for the year ended December 31, 1930, shows income principally from dues and donations and a small amount from the sale of the *Sierra Club Bulletin* and other publications, and disbursements for salary of assistant secretary, rent of office, office expenses, cost of *Sierra Club Bulletin*, chapter expenses, miscellaneous and lodges (land and buildings), the last

named disbursement to be partly reimbursed by donations. The club's revenues are devoted solely to the purpose for which it was originated and cannot be used for the benefit of private individuals.

Based on the foregoing, it is held that the Sierra Club is entitled to exemption under the provisions of section 103 (6) of the Revenue Act of 1928 and the corresponding provisions of the prior revenue acts. It will not, therefore, be required to file returns for 1930 and prior years, and future returns will not be required so long as there is no change in the organization, its purposes or method of doing business.

Any changes in the form of organization or method of operation of the organization, as shown by the evidence submitted, must be immediately reported to the collector of internal revenue for its district, in order that the effect of such changes upon the present exempt status may be determined.

The exemption granted in this letter does not apply to taxes levied under other titles or provisions of the respective revenue acts, except in so far as exemption is granted expressly under those provisions to organizations enumerated in section 103 of the Revenue Act of 1928 and the corresponding sections of prior revenue acts.

Since it is held that the organization is entitled to exemption under paragraph (6) of section 103 of the Revenue Act of 1928 and the corresponding provisions of prior revenue acts, it follows that contributions to it by individual donors are deductible by such individuals in arriving at their taxable net income in the manner and to the extent provided by section 23 (n) of the Revenue Act of 1928 and the corresponding provisions of prior revenue acts.

A copy of this letter is being transmitted to the collector of internal revenue for your district, By direction of the Commissioner.

Respectfully,

(Signed) J. C. WILMER,
Deputy Commissioner.

Note: The provisions of the Revenue Act of 1928 referred to above are as follows:

"Section 103. The following organizations shall be exempt from taxation under this title: (6) Corporations and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual."

"Section 23. In computing net income there shall be allowed as deductions: (n) In the case of an individual, contributions or gifts made within the taxable year to or for the use of: (2) any corporation, or trust or community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual."

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912, OF SIERRA CLUB BULLETIN, published bimonthly at San Francisco, California, for October 1, 1931.

State of California,
City and County of San Francisco } ss.

Before me, a Notary Public in and for the State and county aforesaid, personally appeared Virginia Ferguson, who, having been duly sworn according to law, deposes and says that she is the business manager of the *Sierra Club Bulletin*, and that the following is, to the best of her knowledge and belief, a true statement of the ownership and management of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business manager are: Publisher, Sierra Club, 402 Mills Building, San Francisco; Editor, Francis P. Farquhar, 114 Sansome St., San Francisco; Managing Editor, None; Business Manager, Virginia Ferguson, 402 Mills Building, San Francisco.
2. That the owner is: Sierra Club (a corporation), 402 Mills Building, San Francisco; No stockholders; Officers: Phil S. Bernays, president, Los Angeles; William E. Colby, secretary, San Francisco; Walter L. Huber, treasurer, San Francisco.
3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

VIRGINIA FERGUSON, Business Manager.

Sworn to and subscribed before me this 18th day of September, 1931.

VIOLET NEUENBURG, Notary Public.

(My commission expires December 31, 1934)

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